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SECURITY INFORMATION

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# INFORMATION REPORT

REPORT NO.

CD NO.

COUNTRY China/Indochina

DATE DISTR. 19 July 1952

SUBJECT Sino-Democratic Republic of  
Vietnam Trade Agreement

NO. OF PAGES 2

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NO. OF ENCLS.  
(LISTED BELOW)

SUPPLEMENT TO  
REPORT NO.

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1. The Nanning office maintained by the Democratic Republic of Vietnam (DRV) recently concluded a trade agreement with the Kwangsi Provincial Trading Company which calls for the barter of DRV medicine (sic) and native products for Chinese native cloth and western medicine<sup>1</sup>.
2. The first part of the agreement calls for the Chinese to supply 5,000 p'ia<sup>2</sup> of native cloth made in Hunan Province in exchange for 14 tons of DRV products, including wup'outzu<sup>3</sup> (0063/2788/1311), shajen<sup>3</sup> (4263/0088), sulphur, shihhu (4258/2437), and huishiang<sup>3</sup> (5418/7449). The commodities to be bartered will be valued in JMP at the advertised or announced price (p'aichia, 3654/0305) fixed by the Nanning Trading Company<sup>4</sup>. Another part of the agreement states that the Chinese will provide a consignment of western medicine.
3. The materials will actually be exchanged at Nanning, and the shipping charges for the commodities will be borne by the parties themselves<sup>5</sup>. The physical exchange of these commodities will occur on a fixed date each month, and three exchanges will clear the whole transaction<sup>6</sup>. The first exchange of commodities occurred at Nanning on 10 May 1952.

25X1A 1.  Comment. The term "western medicine" is used in China to distinguish medicines as we know them from prescriptions of native herb doctors.

25X1A 2.   Comment. P'i (3988) is a common Chinese measure of cloth; 1 p'i consists of a piece of cloth 20 shih (1597) feet long and 20 shih inches wide.

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- 25X1A 3. ☐ Comment. Translator's suggestions for these terms are as follows:  
wup'outzu, probably gallnuts  
shajen, probably cardamoms  
huihsiang, probably fennel.
- 25X1A 4. ☐ Comment. This probably means the branch of the Government Trading Company at Nanning.
- 25X1A 5. ☐ Comment. According to the translator, the wording of the original Chinese text is unclear; it probably means that the consignor will be responsible for the cost of shipment to Nanning and that the consignee will be responsible for the cost of shipment from Nanning to its ultimate destination, thus eliminating the cost of transportation from the calculations which determine the physical amount of commodities exchanged.
- 25X1A 6. ☐ Comment. This is not clear, but apparently indicates that the terms of this trade agreement will be satisfied by three exchanges, a month apart.

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